

APPENDIX A3.1

ILLUSTRATIVE CONTRACTOR AUDIT FOR LOCAL GOVERNMENT

CHILD DEVELOPMENT FUND

CITY OF CHEYENNE
CHILD DEVELOPMENT FUND

Financial Statements and Supplementary Information

For the Fiscal Year Ended June 30, 2000

and

Independent Auditor's Report

City of Cheyenne
Child Development Fund

June 30, 2000

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Balance Sheet	5
Statement of Revenues & Expenditures	6
Statement of Changes in Fund Balance	7
Notes to Financial Statements	8 - 14

SUPPLEMENTARY INFORMATION

SCHEDULES

"1"	General Information	16
"2"	Schedule of Expenditures by State Categories	17
"3"	1999-00 CDD Contract Summary	18
"4"	Final Earnings Calculation - Alternative Payment Program - Federal Block Grant	19 - 20
"5"	Final Earnings Calculation - Alternative Payment Program - General - Alternative Payment	21 - 22
"6"	Final Earnings Calculation - Alternative Payment Program - CalWORKS Stage 2 - Federal	23 - 24
"7"	Final Earnings Calculation - CalWORKs Stage 2 - General	25 - 26
"8"	Final Earnings Calculation - CalWORKs Stage 3 - Federal	27 - 28
"9"	Final Earnings Calculation - CalWORKs Stage 3 Timing Out - General	29 - 30

City of Cheyenne
Child Development Fund

June 30, 2000

TABLE OF CONTENTS

	<u>Page</u>
<u>SCHEDULES</u>	
“10” Reserve Fund Calculation - Alternative Payment Program	31 - 32
“11” Final Earnings Calculation - Resource and Referral Program - Federal Block Grant	33
“12” Final Earnings Calculation - Resource and Referral Program - General Program	34
“13” Resource & Referral Reserve Calculation	35 - 37
“14” Combining Schedule of Administrative Costs - State Contracts	38
“15” Schedule of Equipment Expenditures Utilizing Contract Funds	39
“16” Schedule of Repairs and Renovations Utilizing Contract Funds	40
“17” Statement of Changes in Fixed Assets	41
“18” Schedule of Findings and Questioned Costs	42 - 43
“19” Schedule of Expenditures of Federal and Nonfederal Awards	44 - 45
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46 - 47
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	48 - 49

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Cheyenne
Cheyenne, California

We have audited the accompanying general purpose financial statements of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California**, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of City of Cheyenne, California management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California**, as of and for the year ended June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2000, on our consideration of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California**'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplementary information contained in Schedules 1 through 18 are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *Audit Guide for Audits of Child Development and Nutrition and Adult Basic Education Programs* issued by the California Department of Education and are not a required part of the general purpose financial statements of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California**. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California** and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

C.J. and Associates, Inc., CPAs
Certified Public Accountants

September 29, 2000

City of Cheyenne
Child Development Fund

BALANCE SHEET

June 30, 2000

	ALTERNATIVE PAYMENT							RESOURCE & REFERRAL		TOTAL
	FEDERAL BLOCK GRANT PROGRAM	STATE GENERAL PROGRAM	CALWORKS STAGE 2 FEDERAL PROGRAM	CALWORKS STAGE 2 GENERAL PROGRAM	CALWORKS STAGE 3 FEDERAL PROGRAM	CALWORKS STAGE 3 GENERAL PROGRAM	CALWORKS STAGE 1 COUNTY PROGRAM	FEDERAL PROGRAM	GENERAL PROGRAM	
Assets										
Cash	\$ 106,600	\$ 82,400	\$ 21,000	\$ 199,200	\$ 89,550	\$ 73,100	\$ 250	\$ 31,450	\$ 9,200	\$ 612,750
Accrued Interest Receivable	3,000	2,000	1,000	2,000	500	100		50	300	8,950
Grants Receivable	<u>138,000</u>	<u>65,000</u>	<u>20,000</u>				<u>18,000</u>			<u>241,000</u>
Total Assets	<u>\$ 247,600</u>	<u>\$ 149,400</u>	<u>\$ 42,000</u>	<u>\$ 201,200</u>	<u>\$ 90,050</u>	<u>\$ 73,200</u>	<u>\$ 18,250</u>	<u>\$ 31,500</u>	<u>\$ 9,500</u>	<u>\$ 862,700</u>
Liabilities and Fund Balance										
Accounts Payable	\$ 155,000	\$ 128,000	\$ 40,000	\$ 50,000	\$ 14,000	\$ 8,000	\$ 3,000	\$ 2,000	\$ 3,500	\$ 403,500
Accrued Wages	7,750	6,400	2,000	1,200	1,000	200	15,000	500	4,000	38,050
Grants Payable	56,800	15,000		150,000	75,000	65,000		4,000	2,000	367,800
Deferred Revenue	1,050				50		250	20,000		21,350
Reserve Fund (Note 10)	<u>27,000</u>							<u>5,000</u>		<u>32,000</u>
Total Liabilities	\$ 247,600	\$ 149,400	\$ 42,000	\$ 201,200	\$ 90,050	\$ 73,200	\$ 18,250	\$ 31,500	\$ 9,500	\$ 862,700
Fund Balance		-0-								-0-
Total Liabilities and Fund Balance	<u>\$ 247,600</u>	<u>\$ 149,400</u>	<u>\$ 42,000</u>	<u>\$ 201,200</u>	<u>\$ 90,050</u>	<u>\$ 73,200</u>	<u>\$ 18,250</u>	<u>\$ 31,500</u>	<u>\$ 9,500</u>	<u>\$ 862,700</u>

*SEE
APPENDIX
A3.6*

The accompanying notes are an integral part of the financial statements.

City of Cheyenne
Child Development Fund

STATEMENT OF REVENUES AND EXPENDITURES

For the Fiscal Year Ended June 30, 2000

	ALTERNATIVE PAYMENT							RESOURCE & REFERRAL		TOTAL
	FEDERAL	STATE	CALWORKS	CALWORKS	CALWORKS	CALWORKS	CALWORKS	FEDERAL	GENERAL	
	BLOCK GRANT PROGRAM	GENERAL PROGRAM	STAGE 2 FEDERAL PROGRAM	STAGE 2 GENERAL PROGRAM	STAGE 3 FEDERAL PROGRAM	STAGE 3 GENERAL PROGRAM	STAGE 1 COUNTY PROGRAM	PROGRAM	PROGRAM	
Revenue										
Govt. Apportionment	\$ 1,073,000	\$ 477,000	\$ 844,000	\$ 605,300	\$ 190,000	\$ 168,900	\$ 885,000	\$ 44,500	\$ 217,900	\$ 4,505,600
Parent Fees (Note 5)	20,000	18,000	56,000	8,000	6,800	6,500				115,300
Interest Income	7,000	5,000	25,000	6,700	3,200	4,600	15,010	490	850	67,850
Other									1,250	1,250
Total Revenue	<u>\$ 1,100,000</u>	<u>\$ 500,000</u>	<u>\$ 925,000</u>	<u>\$ 620,000</u>	<u>\$ 200,000</u>	<u>\$ 180,000</u>	<u>\$ 900,010</u>	<u>\$ 44,990</u>	<u>\$ 220,000</u>	<u>\$ 4,690,000</u>
Expenditures										
Salaries	\$ 109,000	\$ 50,000	\$ 65,000	\$ 61,000	\$ 18,000	\$ 15,000	\$ 90,000	\$ 18,600	\$ 95,000	\$ 521,600
Employee Benefits	28,600	14,300	18,500	17,500	5,200	4,300	24,000	5,200	27,200	144,800
Books and Supplies	36,000	14,600	16,500	19,400	8,400	9,100	32,500	1,790	9,800	148,090
Provider Payments	880,000	400,000	760,000	496,000	160,000	144,000	702,000			3,542,000
Other Operating Expenses	<u>46,400</u>	<u>21,100</u>	<u>40,000</u>	<u>26,100</u>	<u>8,400</u>	<u>7,600</u>	<u>51,510</u>	<u>17,900</u>	<u>84,500</u>	<u>303,510</u>
Total Expenditures	<u>\$ 1,100,000</u>	<u>\$ 500,000</u>	<u>\$ 900,000</u>	<u>\$ 620,000</u>	<u>\$ 200,000</u>	<u>\$ 180,000</u>	<u>\$ 900,010</u>	<u>\$ 43,490</u>	<u>\$ 216,500</u>	<u>\$ 4,660,000</u>
Excess of Revenues Over Expenditures	\$ -0-	\$ -0-	\$ 25,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,500	\$ 3,500	\$ 30,000
Other Uses										
Transfer to Reserve			(25,000)					(1,500)	(3,500)	(30,000)
Excess of Revenues Over Expenditures and Other Uses	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of the financial statements.

City of Cheyenne
Child Development Fund

STATEMENT OF CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2000

	ALTERNATIVE PAYMENT									TOTAL
	FEDERAL BLOCK GRANT PROGRAM	STATE GENERAL PROGRAM	CALWORKS	CALWORKS	CALWORKS	CALWORKS	CALWORKS	RESOURCE & REFERRAL		
			STAGE 2	STAGE 2	STAGE 3	STAGE 3	STAGE 1	FEDERAL	GENERAL	
			FEDERAL PROGRAM	GENERAL PROGRAM	FEDERAL PROGRAM	GENERAL PROGRAM	COUNTY PROGRAM			
Fund Balance - July 1, 1999	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Excess of Revenues Over Expenditures and Other Uses	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance - June 30, 2000	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of the financial statements.

City of Cheyenne
Child Development Fund

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 1 GENERAL INFORMATION:

The financial statements present only the City of Cheyenne Child Development Fund. For additional information regarding the City of Cheyenne, please refer to the audited financial statements available from the City of Cheyenne. The Child Development Fund receives program contracts from the California Department of Education and the West County Department of Social Services. The City provides referral and other related services for parents seeking child care and subsidizes the cost of child care for eligible families.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Fund Accounting:

To ensure observance of limitations and restrictions placed on the use of resources available to the City, the accounts are maintained in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established in accordance with their nature and purpose.

The following governmental fund type is used for child care grants:

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

B. Basis of Accounting:

The financial statements of the City of Cheyenne Child Development Fund have been prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Expenditures are generally recognized when the related fund liability is incurred.

Grant funds are considered earned to the extent of expenditures made under the provisions of the grant.

City of Cheyenne
Child Development Fund

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

C. Cash:

The City of Cheyenne maintains a cash and investment pool that is available for use by all funds. Separate cash balances for individual contracts within the Child Development Fund are not maintained by the City of Cheyenne. Cash balances for individual contracts are determined from cash receipt and cash disbursement records of the individual contracts.

NOTE 3 ACCUMULATED VACATION & SICK LEAVE:

Accumulated unpaid employee vacation benefits are recognized as liabilities. The liability is recognized in the General Fund and, therefore, not presented herein. Vested leave time earned by employees and expected to be liquidated with expendable available financial resources has been recorded as a human resources cost in the program to which it relates.

Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to unused accumulated sick leave, therefore they are not recognized as liabilities of the City. Sick leave benefits are recorded as expenditures in the period in which they are taken.

NOTE 4 PENSION PLAN:

Plan Description. The City of Cheyenne's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The miscellaneous plan (plan) is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office - P.O. Box 942709, Sacramento, CA 94229-2709.

City of Cheyenne
Child Development Fund

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 4 PENSION PLAN (Continued):

Funding Policy: Active plan members are required to contribute 7% of their annual covered salary. The City makes the contributions required of City's employees on their behalf and for their account. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal 1999/00 was 5.294%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost: For fiscal year 1999/00, the City's annual pension cost was \$825,000. The required contribution for the fiscal year 1999/00 was determined as part of the June 30, 1997 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.5% investment rate of return (net of administrative expenses), and (b) projected salary increases that vary by duration of service ranging from 4.5% to 14.95% for miscellaneous members. Both (a) and (b) include an inflation component of 4.5%. The actuarial value of the plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. The plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 1998 was 13 years.

The total pension expense charged to the fund was \$67,000.

Three-Year Trend Information for City of Cheyenne Miscellaneous Plan:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/96	\$ 2,830,300	100.0	\$ 0
6/30/97	3,106,700	100.0	0
6/30/98	3,150,600	100.0	0

City of Cheyenne
Child Development Fund

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 4 PENSION PLAN (Continued):

Required Supplementary Information

Funded Status of Plan

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a % of Payroll</u>
6/30/96	\$34,587,900	\$35,187,400	(\$ 599,500)	101.7%	\$ 13,735,900	(4.364%)
6/30/97	39,300,400	40,125,400	(825,000)	102.1%	12,128,300	(6.802%)
6/30/98	40,525,700	41,011,000	(485,300)	100.2%	12,404,900	(3.912%)

NOTE 5 PARENT FEES:

Parent fees represent the portion of child care expenses that are to be paid by parents who do not qualify for the full subsidy. The parents pay the City of Cheyenne Child Development Fund directly for their portion of the child care expenses.

NOTE 6 AUDIT FEES:

The audit fee of \$17,500 has been accrued as allowed by grantor agencies, even though these services will be performed in the subsequent period. This is not in accordance with generally accepted accounting principles, but is not considered material in relationship to the program taken as a whole.

NOTE 7 RENT:

The City of Cheyenne provides the Resource and Referral Child Development Programs with space at no charge. Building maintenance expense is allocated to these Programs based on square footage. The Alternative Payment Child Development Programs are housed in County Buildings. Rent is charged to these Programs on the basis of square footage utilized.

City of Cheyenne
Child Development Fund

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 8 COST ALLOCATION OF EXPENSES:

The City of Cheyenne Child Development Fund allocates all costs based on a method which best represents the benefits received and/or costs expensed. Accordingly, the City of Cheyenne Child Development Fund uses several standard methods of expense allocations:

- | | |
|-----------------|--|
| Direct Charge: | Not a shared cost. All actual costs are directly identified with and charged to the program. |
| Staff Time: | Shared cost. Actual costs are allocated to each program based on the total actual staff time spent on each program. |
| Square Footage: | Shared cost. Actual costs are allocated based upon the percentage of total actual square footage used by each program, and the amount of time each program is conducted. |
| Number Served: | Shared cost. Actual costs are allocated to each program based upon the percentage of total actual children served by the program. |

There were no indirect costs in the City of Cheyenne Child Development Fund in the fiscal year ending June 30, 2000.

Alternative Payment Program:

Shared costs for the Alternative Payment Program will be allocated using the "Numbers Served" method of allocation. The total number of children by program type are collected at the beginning of each month and each program's percentage of the whole are determined. These percentages are then used to allocate the month's shared expenditures such as shared supplies and other operating expenses.

Resource & Referral Program:

Shared costs for the Resource & Referral Program are allocated using the "Staff Time" method of allocation.

City of Cheyenne
Child Development Fund

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 9 SELF-INSURANCE:

The City is self-insured for public liability and property damage and worker's compensation claims on the first \$25,000 of any accident. The City carries liability insurance in excess of the \$25,000 self-insurance amount up to \$10,000,000. Estimated losses on claims are charged to the expense, in the period the loss is determinable, in the proprietary funds of the City. A liability is recorded in the general long-term debt account group for the City's governmental fund types when payment of the claim is expected to be made out of future resources. If they are to be paid out of current resources, they are recorded in the respective funds.

NOTE 10 RESERVE FUNDS:

Child development contractors with the California Department of Education (CDE) are allowed to maintain a reserve account from earned but unexpended child development contract funds. The funds can be expended only by direct service child development programs that are funded under contract with the CDE. In accordance with the stipulations of the Education Code, the City of Cheyenne Child Development Fund maintains its reserve accounts in interest-bearing funds, and all interest earned is recorded in the appropriate reserve funds. Upon termination of all child development contracts between the City of Cheyenne Child Development Fund and the CDE, reserve fund balances must be returned to the CDE.

Transfers from a reserve account are considered restricted income for child development programs, but may be applied to any of the contracts that are eligible to contribute to that particular program type. The balances at June 30, 2000 in the Alternative Payment and Resource & Referral programs were \$27,000 and \$5,000, respectively.

NOTE 11 CONTINGENCIES:

The City of Cheyenne Child Development Fund receives state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowed expenditures under terms of the grants, it is believed that any repayments resulting from disallowances will not be material.

City of Cheyenne
Child Development Fund

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE 12 RESTRICTION ON INTERFUND BORROWINGS:

The California Department of Education prohibits interfund borrowings of any revenues received through a State of California contract to programs funded by other sources.

NOTE 13 FUNDING OF DEFICITS:

The General Fund of the City of Cheyenne is responsible for offsetting deficits, should any result in a future period, from revenues inadequate to cover expenditures in the City of Cheyenne Child Development Fund.

SUPPLEMENTARY INFORMATION

City of Cheyenne
Child Development Fund

GENERAL INFORMATION

Fiscal Year Ended June 30, 2000

Full official name of the Agency:

City of Cheyenne

Type of Agency:

Public Organization

Project Numbers:

Alternative Payment:

00-M080-00-11221-9
00-M080-00-22332-9
00-M080-00-33443-9
00-M080-00-44554-9
00-M080-00-55665-9
00-M080-00-66776-9

Resource & Referral:

00-M080-00-77887-9
00-M080-00-88998-9

Address of Agency Headquarters:

City of Cheyenne
700 Capitol Ave.
Cheyenne, CA 90000

Names and address of Chief Executive Officer, Business Officer or Accountant:

Ms. B.B. Cody
Fiscal Services Director
City of Cheyenne
700 Capitol Ave
Cheyenne, CA 90000

Period Covered by Audit:

July 1, 1999 through June 30, 2000

Number of Days of Agency Operation:

N/A

Scheduled Hours of Operation Each Day:

8:00 AM - 5:00 PM, 9 hours per day

City of Cheyenne
Child Development Fund

SCHEDULE OF EXPENDITURES BY STATE CATEGORIES

For the Fiscal Year Ended June 30, 2000

		ALTERNATIVE PAYMENT							RESOURCE & REFERRAL		TOTAL
		FEDERAL BLOCK GRANT PROGRAM	STATE GENERAL PROGRAM	CALWORKS STAGE 2 FEDERAL PROGRAM	CALWORKS STAGE 2 GENERAL PROGRAM	CALWORKS STAGE 3 FEDERAL PROGRAM	CALWORKS STAGE 3 GENERAL PROGRAM	CALWORKS STAGE 1 COUNTY PROGRAM	FEDERAL PROGRAM	GENERAL PROGRAM	
1000	Certificated Salaries	\$ 109,000	\$ 50,000	\$ 65,000	\$ 61,000	\$ 18,000	\$ 15,000	\$ 90,000	\$ 18,600	\$ 95,000	\$ 521,600
1300	Supervisor's Salaries	4,400	2,000	2,600	2,400	700	600	3,600	700	3,800	20,800
2000	Classified Salaries	91,600	44,000	57,200	53,700	15,800	13,200	79,200	16,400	83,600	454,700
2300	Clerical & Other Office Personnel	13,000	4,000	5,200	4,900	1,500	1,200	7,200	1,500	7,600	46,100
3000	Employee Benefits	\$ 28,600	\$ 14,300	\$ 18,500	\$ 17,500	\$ 5,200	\$ 4,300	\$ 24,000	\$ 5,200	\$ 27,200	\$ 144,800
3300	Old Age, Survivors, Disability & Health Insurance	26,300	13,200	17,000	16,100	4,800	4,000	22,080	4,850	25,000	133,330
3500	State Unemployment Insurance	900	400	600	500	150	130	720	140	800	4,340
3600	Workers' Compensation Insurance	1,400	700	900	900	250	170	1,200	210	1,400	7,130
4000	Books, Supplies & Equipment Repl.	\$ 36,000	\$ 14,600	\$ 16,500	\$ 19,400	\$ 8,400	\$ 9,100	\$ 32,500	\$ 1,790	\$ 9,800	\$ 148,090
4900	Other Supplies	36,000	14,600	16,500	19,400	8,400	9,100	32,500	1,790	9,800	148,090
5000	Contracted Services and Other Operating Expenses	\$ 926,400	\$ 421,100	\$ 800,000	\$ 522,100	\$ 168,400	\$ 151,600	\$ 753,510	\$ 17,900	\$ 84,500	\$ 3,845,510
5100	Contracts for Personal Services (Including Vendor Payments)	880,000	400,000	760,000	496,000	160,000	144,000	702,000			3,542,000
5200	Travel, Conference & Other Exp.	1,300	600	1,100	700	200	200	1,400	500	2,300	8,300
5300	Dues	200	100	200	100	50	50	210	100	350	1,360
5400	Insurance	2,000	900	1,800	1,200	350	300	2,300	800	3,800	13,450
5500	Utilities & Housekeeping Services	7,400	3,300	6,400	4,200	1,400	1,250	8,200	2,900	13,450	48,500
5600	Contracts, Rents and Leases	31,800	14,500	27,300	17,800	5,700	5,200	35,300	12,200	57,900	207,700
5700	Legal, Election and Audit Expense	3,700	1,700	3,200	2,100	700	600	4,100	1,400	6,700	24,200
6000	Capital Outlay										
6400	New Equipment										
	Sub-total	\$ 1,100,000	\$ 500,000	\$ 900,000	\$ 620,000	\$ 200,000	\$ 180,000	\$ 900,010	\$ 43,490	\$ 216,500	\$ 4,660,000
	Less: Non-Reimbursable Expenditures	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	Total Reimbursable Expenditures	\$ 1,100,000	\$ 500,000	\$ 900,000	\$ 620,000	\$ 200,000	\$ 180,000	\$ 900,010	\$ 43,490	\$ 216,500	\$ 4,660,000

We have examined the claims filed for reimbursement and the original supporting records covering the transactions under these contracts to an extent considered necessary to assure ourselves that the amounts claimed by the City were proper.

1999-00 CDD Contract Summary

Agency Name: **City of Cheyenne Child Development Fund**
 Vendor #: M080
 Fiscal Year End: June 30, 2000

Auditor: C.J. and Associates, Inc., CPAs

Worksheet	Project Name	Contract #	MRA	Due To State	Due From State	Percentage of MRA
AP (1)	Federal Block Grant	FAPP-0000	\$1,073,000	\$0	\$138,000	12.8611%
AP (2)	General - Alternative Payment	GAPP-0000	\$477,000	\$0	\$65,000	13.6268%
CalWorks 2&3 (1)	Cal WORKs Stage 2 - Federal	F2AP-0000	\$869,000	\$0	\$20,000	2.3015%
CalWorks 2&3 (2)	Cal WORKs Stage 2 - General	G2AP-0000	\$900,000	\$150,000	\$0	16.6667%
CalWorks 2&3 (3)	Cal WORKs Stage 3 - Federal	F3AP-0000	\$240,000	\$50,000	\$0	20.8333%
CalWorks 2&3 (4)	Cal WORKs Stage 3 - Timing Out	G3TO-0000	\$168,900	\$65,000	\$0	38.4843%
R&R (1)	Federal Block Grant - R&R	FBRR-0000	\$50,000	\$4,000	\$0	8.0000%
R&R (6)	General Program - R&R	GFRR-0000	\$225,000	\$2,000	\$0	0.8889%
Total			\$4,002,900	\$271,000	\$223,000	

Agency Name: City of Cheyenne Child Development Fund
 Vendor Number: M080
 Program Name: Federal Block Grant
 Contract Number: FAPP-0000
 Worksheet Type: Alternative Payment

California Department of Education
 Audits and Investigations Division
 Final Earnings Calculation
 Fiscal Year Ended June 30, 2000

1. Total Costs (includes Start-Up)	\$1,100,000
2. Restricted Income:	
a. Child Care Food Program	\$0
b. State Meal Allowance	\$0
c. Transfers from Alternative Payment Reserve Account	\$0
d. Other (Specify)	\$0
e. Other (Specify)	\$0
Total Restricted Income	\$0
3. Non-Reimbursable Costs:	
a. Capital Outlay	\$0
b. Migrant Specialized Services Supplement	\$0
c. Questioned Costs (Specify)	\$0
d. Depreciation	\$0
e. Costs in Line 1 Paid From Funds Not Listed in Line 2 (Specify)	\$0
f. Other (Specify)	\$0
g. Other (Specify)	\$0
Total Non-Reimbursable Costs	\$0
4. Net Costs (Line 1 - Line 2 - Line 3)	\$1,100,000
5. Administrative Costs:	
a. Actual Costs	\$81,000
b. Maximum Allowable (Line 4 * 15%)	\$165,000
c. Excess Administrative Costs (Line 5a - Line 5b; if < 0, then 0)	\$0
6. Adjusted Net Reimbursable Costs (Line 4 - Line 5c)	\$1,100,000
7. Days of Operation Adjustment Factor:	
a. Actual Days of Operation	252
b. Minimum Days of Operation Per Contract	250
c. Actual Days of Operation Percentage (Line 10a / Line 10b)	100.80%
d. Two Percent Flexibility if Line 10c = 98% or more, Maximum = 100%	100.00%
8. Start-Up Costs:	
a. Actual Costs	\$0
b. Maximum Start-Up Per Contract	\$0
c. Allowable Start-Up Costs (Lesser of Line 8a or 8b)	\$0
9. Total Adjusted Maximum Reimbursable Amount (MRA):	
a. MRA per Contract	\$1,073,000
b. Operational MRA (Line 9a - Line 8c)	\$1,073,000
c. Operational MRA Adjusted for Days of Operation (Line 9b * Line 7d; if "Respite Care" program, use Line 9b)	\$1,073,000
d. Total Adjusted MRA (Line 9c + Line 8c)	\$1,073,000
10. Support Service Earnings	
a. Provider Payments	\$880,000
b. Actual Administration and Support Services (Line 4 - Line 10a - Line 8c)	\$220,000
c. Maximum Non-Provider Percent Allowed	25.00%
d. Maximum Administrative and Support Services Earned (Lesser of Line 10b or (Line 10a * Line 10c))	\$220,000
e. Support Service Earnings (Line 10a + Line 8c + Line 10d)	\$1,100,000

Agency Name: City of Cheyenne Child Development Fund
 Vendor Number: M080
 Program Name: Federal Block Grant
 Contract Number: FAPP-0000
 Worksheet Type: Alternative Payment

California Department of Education
 Audits and Investigations Division
 Final Earnings Calculation
 Fiscal Year Ended June 30, 2000

11. Reimbursable Costs (Lesser of Line 6 or 10e)	\$1,100,000
12. Parent Fees and Interest	
a. Parent Fees	\$20,000
b. Interest	\$7,000
c. Total Parent Fees and Interest (Line 12a + Line 12b)	\$27,000
13. Fiscal Year Earnings (Line 11 - Line 12c)	\$1,073,000
14. Fiscal Year Reimbursable Earnings (Lesser of Line 13 or Line 9d)	\$1,073,000
15. Transfer to Child Development Reserve (from worksheet apreserve2)	\$0
16. Apportionments to Date	\$935,000
17. Balance Due Agency from the State [(Line 14 + Line 15) - Line 16]	\$138,000
18. Balance Owed to the State:	
a. Total Owed to the State [Line 16 - (Line 14 + Line 15)]	\$0
b. Apportionment Above Adjusted MRA (Line 16 - Line 9d)	\$0
c. Unearned Reimbursement (Line 18a - Line 18b)	\$0
d. Interest Billing (Lesser of Line 12b or Line 18c)	\$0
e. Contract Billing (Line 18a - Line 18d)	\$0

Agency Name: City of Cheyenne Child Development Fund
Vendor Number: M080
Program Name: General - Alternative Payment
Contract Number: GAPP-0000
Worksheet Type: Alternative Payment

California Department of Education
Audits and Investigations Division
Final Earnings Calculation
Fiscal Year Ended June 30, 2000

1. Total Costs (includes Start-Up)	\$500,000
2. Restricted Income:	
a. Child Care Food Program	\$0
b. State Meal Allowance	\$0
c. Transfers from Alternative Payment Reserve Account	\$0
d. Other (Specify)	\$0
e. Other (Specify)	\$0
Total Restricted Income	\$0
3. Non-Reimbursable Costs:	
a. Capital Outlay	\$0
b. Migrant Specialized Services Supplement	\$0
c. Questioned Costs (Specify)	\$0
d. Depreciation	\$0
e. Costs in Line 1 Paid From Funds Not Listed in Line 2 (Specify)	\$0
f. Other (Specify)	\$0
g. Other (Specify)	\$0
Total Non-Reimbursable Costs	\$0
4. Net Costs (Line 1 - Line 2 - Line 3)	\$500,000
5. Administrative Costs:	
a. Actual Costs	\$62,650
b. Maximum Allowable (Line 4 * 15%)	\$75,000
c. Excess Administrative Costs (Line 5a - Line 5b; if < 0, then 0)	\$0
6. Adjusted Net Reimbursable Costs (Line 4 - Line 5c)	\$500,000
7. Days of Operation Adjustment Factor:	
a. Actual Days of Operation	252
b. Minimum Days of Operation Per Contract	250
c. Actual Days of Operation Percentage (Line 10a / Line 10b)	100.80%
d. Two Percent Flexibility if Line 10c = 98% or more, Maximum = 100%	100.00%
8. Start-Up Costs:	
a. Actual Costs	\$0
b. Maximum Start-Up Per Contract	\$0
c. Allowable Start-Up Costs (Lesser of Line 8a or 8b)	\$0
9. Total Adjusted Maximum Reimbursable Amount (MRA):	
a. MRA per Contract	\$477,000
b. Operational MRA (Line 9a - Line 8c)	\$477,000
c. Operational MRA Adjusted for Days of Operation (Line 9b * Line 7d; if "Respite Care" program, use Line 9b)	\$477,000
d. Total Adjusted MRA (Line 9c + Line 8c)	\$477,000
10. Support Service Earnings	
a. Provider Payments	\$400,000
b. Actual Administration and Support Services (Line 4 - Line 10a - Line 8c)	\$100,000
c. Maximum Non-Provider Percent Allowed	33.33%
d. Maximum Administrative and Support Services Earned (Lesser of Line 10b or (Line 10a * Line 10c))	\$100,000
e. Support Service Earnings (Line 10a + Line 8c + Line 10d)	\$500,000

Agency Name: City of Cheyenne Child Development Fund
Vendor Number: M080
Program Name: General - Alternative Payment
Contract Number: GAPP-0000
Worksheet Type: Alternative Payment

California Department of Education
Audits and Investigations Division
Final Earnings Calculation
Fiscal Year Ended June 30, 2000

11. Reimbursable Costs (Lesser of Line 6 or 10e)	\$500,000
12. Parent Fees and Interest	
a. Parent Fees	\$18,000
b. Interest	\$5,000
c. Total Parent Fees and Interest (Line 12a + Line 12b)	\$23,000
13. Fiscal Year Earnings (Line 11 - Line 12c)	\$477,000
14. Fiscal Year Reimbursable Earnings (Lesser of Line 13 or Line 9d)	\$477,000
15. Transfer to Child Development Reserve (from worksheet apreserve2)	\$0
16. Apportionments to Date	\$412,000
17. Balance Due Agency from the State [(Line 14 + Line 15) - Line 16]	\$65,000
18. Balance Owed to the State:	
a. Total Owed to the State [Line 16 - (Line 14 + Line 15)]	\$0
b. Apportionment Above Adjusted MRA (Line 16 - Line 9d)	\$0
c. Unearned Reimbursement (Line 18a - Line 18b)	\$0
d. Interest Billing (Lesser of Line 12b or Line 18c)	\$0
e. Contract Billing (Line 18a - Line 18d)	\$0

Agency Name: City of Cheyenne Child Development Fund
Vendor Number: M080
Program Name: CalWORKs Stage 2 A/P - Federal
Contract Number: F2AP-0000
Worksheet Type: CalWorks 2&3

California Department of Education
Audits and Investigations Division
Final Earnings Calculation
Fiscal Year Ended June 30, 2000

1. Total Costs (includes Start-Up)	\$925,000
2. Restricted Income:	
a. Child Care Food Program	\$0
b. State Meal Allowance	\$0
c. Transfers from Alternative Payment Reserve Account	\$0
d. Other (Specify)	\$0
e. Other (Specify)	\$0
Total Restricted Income	\$0
3. Non-Reimbursable Costs:	
a. Capital Outlay	\$0
b. Migrant Specialized Services Supplement	\$0
c. Questioned Costs (Specify)	\$0
d. Depreciation	\$0
e. Costs in Line 1 Paid From Funds Not Listed in Line 2 (Specify)	\$0
f. Other (Specify)	\$0
g. Other (Specify)	\$0
Total Non-Reimbursable Costs	\$0
4. Net Costs (Line 1 - Line 2 - Line 3)	\$925,000
5. Administrative Costs:	
a. Actual Costs	\$64,700
b. Maximum Allowable (Line 4 * 15%)	\$138,750
c. Excess Administrative Costs (Line 5a - Line 5b; if < 0, then 0)	\$0
6. Adjusted Net Reimbursable Costs (Line 4 - Line 5c)	\$925,000
7. Days of Operation Adjustment Factor:	
a. Actual Days of Operation	252
b. Minimum Days of Operation Per Contract	250
c. Actual Days of Operation Percentage (Line 10a / Line 10b)	100.80%
d. Two Percent Flexibility if Line 10c = 98% or more, Maximum = 100%	100.00%
8. Start-Up Costs:	
a. Actual Costs	\$38,000
b. Maximum Start-Up Per Contract	\$185,000
c. Allowable Start-Up Costs (Lesser of Line 8a or 8b)	\$38,000
9. Total Adjusted Maximum Reimbursable Amount (MRA):	
a. MRA per Contract	\$869,000
b. Operational MRA (Line 9a - Line 8c)	\$831,000
c. Operational MRA Adjusted for Days of Operation (Line 9b * Line 7d; if "Respite Care" program, use Line 9b)	\$831,000
d. Total Adjusted MRA (Line 9c + Line 8c)	\$869,000
10. Support Service Earnings	
a. Provider Payments	\$760,000
b. Actual Administration and Support Services (Line 4 - Line 10a - Line 8c)	\$127,000
c. Maximum Non-Provider Percent Allowed	25.00%
d. Maximum Administrative and Support Services Earned (Lesser of Line 10b or (Line 10a * Line 10c))	\$127,000
e. Support Service Earnings (Line 10a + Line 8c + Line 10d)	\$925,000

Agency Name: City of Cheyenne Child Development Fund
Vendor Number: M080
Program Name: CalWORKs Stage 2 A/P - Federal
Contract Number: F2AP-0000
Worksheet Type: CalWorks 2&3

California Department of Education
Audits and Investigations Division
Final Earnings Calculation
Fiscal Year Ended June 30, 2000

11. Reimbursable Costs (Lesser of Line 6 or 10e)	\$925,000
12. Parent Fees and Interest	
a. Parent Fees	\$56,000
b. Interest	\$25,000
c. Total Parent Fees and Interest (Line 12a + Line 12b)	\$81,000
13. Fiscal Year Earnings (Line 11 - Line 12c)	\$844,000
14. Fiscal Year Reimbursable Earnings (Lesser of Line 13 or Line 9d)	\$844,000
15. Transfer to Child Development Reserve (from worksheet apreserve2)	\$25,000
16. Apportionments to Date	\$849,000
17. Balance Due Agency from the State [(Line 14 + Line 15) - Line 16]	\$20,000
18. Balance Owed to the State:	
a. Total Owed to the State [Line 16 - (Line 14 + Line 15)]	\$0
b. Apportionment Above Adjusted MRA (Line 16 - Line 9d)	\$0
c. Unearned Reimbursement (Line 18a - Line 18b)	\$0
d. Interest Billing (Lesser of Line 12b or Line 18c)	\$0
e. Contract Billing (Line 18a - Line 18d)	\$0

Agency Name: City of Cheyenne Child Development Fund
Vendor Number: M080
Program Name: CalWORKs Stage 2 General
Contract Number: G2AP-0000
Worksheet Type: CalWorks 2&3

California Department of Education
Audits and Investigations Division
Final Earnings Calculation
Fiscal Year Ended June 30, 2000

1. Total Costs (includes Start-Up)	\$620,000
2. Restricted Income:	
a. Child Care Food Program	\$0
b. State Meal Allowance	\$0
c. Transfers from Alternative Payment Reserve Account	\$0
d. Other (Specify)	\$0
e. Other (Specify)	\$0
Total Restricted Income	\$0
3. Non-Reimbursable Costs:	
a. Capital Outlay	\$0
b. Migrant Specialized Services Supplement	\$0
c. Questioned Costs (Specify)	\$0
d. Depreciation	\$0
e. Costs in Line 1 Paid From Funds Not Listed in Line 2 (Specify)	\$0
f. Other (Specify)	\$0
g. Other (Specify)	\$0
Total Non-Reimbursable Costs	\$0
4. Net Costs (Line 1 - Line 2 - Line 3)	\$620,000
5. Administrative Costs:	
a. Actual Costs	\$61,100
b. Maximum Allowable (Line 4 * 15%)	\$93,000
c. Excess Administrative Costs (Line 5a - Line 5b; if < 0, then 0)	\$0
6. Adjusted Net Reimbursable Costs (Line 4 - Line 5c)	\$620,000
7. Days of Operation Adjustment Factor:	
a. Actual Days of Operation	252
b. Minimum Days of Operation Per Contract	250
c. Actual Days of Operation Percentage (Line 10a / Line 10b)	100.80%
d. Two Percent Flexibility if Line 10c = 98% or more, Maximum = 100%	100.00%
8. Start-Up Costs:	
a. Actual Costs	\$14,000
b. Maximum Start-Up Per Contract	\$50,000
c. Allowable Start-Up Costs (Lesser of Line 8a or 8b)	\$14,000
9. Total Adjusted Maximum Reimbursable Amount (MRA):	
a. MRA per Contract	\$900,000
b. Operational MRA (Line 9a - Line 8c)	\$886,000
c. Operational MRA Adjusted for Days of Operation (Line 9b * Line 7d; if "Respite Care" program, use Line 9b)	\$886,000
d. Total Adjusted MRA (Line 9c + Line 8c)	\$900,000
10. Support Service Earnings	
a. Provider Payments	\$496,000
b. Actual Administration and Support Services (Line 4 - Line 10a - Line 8c)	\$110,000
c. Maximum Non-Provider Percent Allowed	25.00%
d. Maximum Administrative and Support Services Earned (Lesser of Line 10b or (Line 10a * Line 10c))	\$110,000
e. Support Service Earnings (Line 10a + Line 8c + Line 10d)	\$620,000

Agency Name: City of Cheyenne Child Development Fund
Vendor Number: M080
Program Name: CalWORKs Stage 2 General
Contract Number: G2AP-0000
Worksheet Type: CalWorks 2&3

California Department of Education
Audits and Investigations Division
Final Earnings Calculation
Fiscal Year Ended June 30, 2000

11. Reimbursable Costs (Lesser of Line 6 or 10e)	\$620,000
12. Parent Fees and Interest	
a. Parent Fees	\$8,000
b. Interest	\$6,700
c. Total Parent Fees and Interest (Line 12a + Line 12b)	\$14,700
13. Fiscal Year Earnings (Line 11 - Line 12c)	\$605,300
14. Fiscal Year Reimbursable Earnings (Lesser of Line 13 or Line 9d)	\$605,300
15. Transfer to Child Development Reserve (from worksheet apreserve2)	\$0
16. Apportionments to Date	\$755,300
17. Balance Due Agency from the State [(Line 14 + Line 15) - Line 16]	\$0
18. Balance Owed to the State:	
a. Total Owed to the State [Line 16 - (Line 14 + Line 15)]	\$150,000
b. Apportionment Above Adjusted MRA (Line 16 - Line 9d)	\$0
c. Unearned Reimbursement (Line 18a - Line 18b)	\$150,000
d. Interest Billing (Lesser of Line 12b or Line 18c)	\$6,700
e. Contract Billing (Line 18a - Line 18d)	\$143,300

Agency Name: City of Cheyenne Child Development Fund
Vendor Number: M080
Program Name: CalWORKs Stage 3 Federal
Contract Number: F3AP-0000
Worksheet Type: CalWorks 2&3

California Department of Education
Audits and Investigations Division
Final Earnings Calculation
Fiscal Year Ended June 30, 2000

1. Total Costs (includes Start-Up)	\$200,000
2. Restricted Income:	
a. Child Care Food Program	\$0
b. State Meal Allowance	\$0
c. Transfers from Alternative Payment Reserve Account	\$0
d. Other (Specify)	\$0
e. Other (Specify)	\$0
Total Restricted Income	\$0
3. Non-Reimbursable Costs:	
a. Capital Outlay	\$0
b. Migrant Specialized Services Supplement	\$0
c. Questioned Costs (Specify)	\$0
d. Depreciation	\$0
e. Costs in Line 1 Paid From Funds Not Listed in Line 2 (Specify)	\$0
f. Other (Specify)	\$0
g. Other (Specify)	\$0
Total Non-Reimbursable Costs	\$0
4. Net Costs (Line 1 - Line 2 - Line 3)	\$200,000
5. Administrative Costs:	
a. Actual Costs	\$21,100
b. Maximum Allowable (Line 4 * 15%)	\$30,000
c. Excess Administrative Costs (Line 5a - Line 5b; if < 0, then 0)	\$0
6. Adjusted Net Reimbursable Costs (Line 4 - Line 5c)	\$200,000
7. Days of Operation Adjustment Factor:	
a. Actual Days of Operation	252
b. Minimum Days of Operation Per Contract	250
c. Actual Days of Operation Percentage (Line 10a / Line 10b)	100.80%
d. Two Percent Flexibility if Line 10c = 98% or more, Maximum = 100%	100.00%
8. Start-Up Costs:	
a. Actual Costs	\$0
b. Maximum Start-Up Per Contract	\$0
c. Allowable Start-Up Costs (Lesser of Line 8a or 8b)	\$0
9. Total Adjusted Maximum Reimbursable Amount (MRA):	
a. MRA per Contract	\$240,000
b. Operational MRA (Line 9a - Line 8c)	\$240,000
c. Operational MRA Adjusted for Days of Operation (Line 9b * Line 7d; if "Respite Care" program, use Line 9b)	\$240,000
d. Total Adjusted MRA (Line 9c + Line 8c)	\$240,000
10. Support Service Earnings	
a. Provider Payments	\$160,000
b. Actual Administration and Support Services (Line 4 - Line 10a - Line 8c)	\$40,000
c. Maximum Non-Provider Percent Allowed	25.00%
d. Maximum Administrative and Support Services Earned (Lesser of Line 10b or (Line 10a * Line 10c))	\$40,000
e. Support Service Earnings (Line 10a + Line 8c + Line 10d)	\$200,000

Agency Name: City of Cheyenne Child Development Fund
Vendor Number: M080
Program Name: CalWORKs Stage 3 Federal
Contract Number: F3AP-0000
Worksheet Type: CalWorks 2&3

California Department of Education
Audits and Investigations Division
Final Earnings Calculation
Fiscal Year Ended June 30, 2000

11. Reimbursable Costs (Lesser of Line 6 or 10e)	\$200,000
12. Parent Fees and Interest	
a. Parent Fees	\$6,800
b. Interest	\$3,200
c. Total Parent Fees and Interest (Line 12a + Line 12b)	\$10,000
13. Fiscal Year Earnings (Line 11 - Line 12c)	\$190,000
14. Fiscal Year Reimbursable Earnings (Lesser of Line 13 or Line 9d)	\$190,000
15. Transfer to Child Development Reserve (from worksheet apreserve2)	\$0
16. Apportionments to Date	\$240,000
17. Balance Due Agency from the State [(Line 14 + Line 15) - Line 16]	\$0
18. Balance Owed to the State:	
a. Total Owed to the State [Line 16 - (Line 14 + Line 15)]	\$50,000
b. Apportionment Above Adjusted MRA (Line 16 - Line 9d)	\$0
c. Unearned Reimbursement (Line 18a - Line 18b)	\$50,000
d. Interest Billing (Lesser of Line 12b or Line 18c)	\$3,200
e. Contract Billing (Line 18a - Line 18d)	\$46,800

Agency Name: City of Cheyenne Child Development Fund
Vendor Number: M080
Program Name: CalWORKs Stage 3 Timing Out
Contract Number: G3TO-0000
Worksheet Type: CalWorks 2&3

California Department of Education
Audits and Investigations Division
Final Earnings Calculation
Fiscal Year Ended June 30, 2000

1. Total Costs (includes Start-Up)	\$180,000
2. Restricted Income:	
a. Child Care Food Program	\$0
b. State Meal Allowance	\$0
c. Transfers from Alternative Payment Reserve Account	\$0
d. Other (Specify)	\$0
e. Other (Specify)	\$0
Total Restricted Income	\$0
3. Non-Reimbursable Costs:	
a. Capital Outlay	\$0
b. Migrant Specialized Services Supplement	\$0
c. Questioned Costs (Specify)	\$0
d. Depreciation	\$0
e. Costs in Line 1 Paid From Funds Not Listed in Line 2 (Specify)	\$0
f. Other (Specify)	\$0
g. Other (Specify)	\$0
Total Non-Reimbursable Costs	\$0
4. Net Costs (Line 1 - Line 2 - Line 3)	\$180,000
5. Administrative Costs:	
a. Actual Costs	\$18,050
b. Maximum Allowable (Line 4 * 15%)	\$27,000
c. Excess Administrative Costs (Line 5a - Line 5b; if < 0, then 0)	\$0
6. Adjusted Net Reimbursable Costs (Line 4 - Line 5c)	\$180,000
7. Days of Operation Adjustment Factor:	
a. Actual Days of Operation	252
b. Minimum Days of Operation Per Contract	250
c. Actual Days of Operation Percentage (Line 10a / Line 10b)	100.80%
d. Two Percent Flexibility if Line 10c = 98% or more, Maximum = 100%	100.00%
8. Start-Up Costs:	
a. Actual Costs	\$0
b. Maximum Start-Up Per Contract	\$0
c. Allowable Start-Up Costs (Lesser of Line 8a or 8b)	\$0
9. Total Adjusted Maximum Reimbursable Amount (MRA):	
a. MRA per Contract	\$168,900
b. Operational MRA (Line 9a - Line 8c)	\$168,900
c. Operational MRA Adjusted for Days of Operation (Line 9b * Line 7d; if "Respite Care" program, use Line 9b)	\$168,900
d. Total Adjusted MRA (Line 9c + Line 8c)	\$168,900
10. Support Service Earnings	
a. Provider Payments	\$144,000
b. Actual Administration and Support Services (Line 4 - Line 10a - Line 8c)	\$36,000
c. Maximum Non-Provider Percent Allowed	25.00%
d. Maximum Administrative and Support Services Earned (Lesser of Line 10b or (Line 10a * Line 10c))	\$36,000
e. Support Service Earnings (Line 10a + Line 8c + Line 10d)	\$180,000

Agency Name: City of Cheyenne Child Development Fund
Vendor Number: M080
Program Name: CalWORKs Stage 3 Timing Out
Contract Number: G3TO-0000
Worksheet Type: CalWorks 2&3

California Department of Education
Audits and Investigations Division
Final Earnings Calculation
Fiscal Year Ended June 30, 2000

11. Reimbursable Costs (Lesser of Line 6 or 10e)	\$180,000
12. Parent Fees and Interest	
a. Parent Fees	\$6,500
b. Interest	\$4,600
c. Total Parent Fees and Interest (Line 12a + Line 12b)	\$11,100
13. Fiscal Year Earnings (Line 11 - Line 12c)	\$168,900
14. Fiscal Year Reimbursable Earnings (Lesser of Line 13 or Line 9d)	\$168,900
15. Transfer to Child Development Reserve (from worksheet apreserve2)	\$0
16. Apportionments to Date	\$233,900
17. Balance Due Agency from the State [(Line 14 + Line 15) - Line 16]	\$0
18. Balance Owed to the State:	
a. Total Owed to the State [Line 16 - (Line 14 + Line 15)]	\$65,000
b. Apportionment Above Adjusted MRA (Line 16 - Line 9d)	\$65,000
c. Unearned Reimbursement (Line 18a - Line 18b)	\$0
d. Interest Billing (Lesser of Line 12b or Line 18c)	\$0
e. Contract Billing (Line 18a - Line 18d)	\$65,000

City of Cheyenne Child Development Fund
Alternative Payment Reserve Calculation - Part 1
Fiscal Year Ended June 30, 2000

Complete one worksheet for each alternative payment contract. Do not combine MRA's. Calculate the contracts in the order specified on the CD9530.

Alternative Payment Reserve for Contract # F2AP-0000 is the lesser of:

- 1)
$$\frac{\$869,000}{\text{MRA}} \text{ plus } \frac{\$56,000}{\text{Parent Fees}} \text{ plus } \frac{\$25,000}{\text{Interest}} \text{ minus } \frac{\$925,000}{\text{Adj. Net Cost}^{**}} \text{ equals}$$

$$\frac{\$25,000}{\text{Possible Reservable Amount}}$$
- 2)
$$\left(\frac{\$760,000}{\text{Provider Payments}} \times \frac{25.00\%}{\text{Maximum Non-provider Percentage}^{***}} \right) \text{ minus } \left(\frac{\$925,000}{\text{Net Cost}^*} \text{ minus } \frac{\$760,000}{\text{Provider Pmts.}} \right) \text{ minus}$$

$$\left(\frac{\$0}{\text{Allowable Start-Up}} \right) = \frac{\$25,000}{\text{Possible Reservable Amount}}$$
- 3)
$$\frac{\$760,000}{\text{Provider Pmts.}} \text{ plus } \left(\frac{\$760,000}{\text{Provider Pmts.}} \times \frac{25.00\%}{\text{Maximum Non-provider Percentage}^{***}} \right) \text{ minus } \frac{\$925,000}{\text{Adj. Net Cost}^{**}} \text{ equals}$$

$$\frac{\$25,000}{\text{Possible Reservable Amount}}$$
- 4)
$$\left(\frac{\$925,000}{\text{Adj. Net Cost}^{**}} \times \frac{25.00\%}{\text{Maximum Non-provider Percentage}^{***}} \right) \text{ minus } \left(\frac{\$925,000}{\text{Net Cost}^*} \text{ minus } \frac{\$760,000}{\text{Provider Pmts.}} \right) \text{ minus}$$

$$\left(\frac{\$0}{\text{Allowable Start-Up}} \right) = \frac{\$66,250}{\text{Possible Reservable Amount}}$$
- 5)
$$\frac{\$25,000}{\text{Reservable Amount}} \text{ (Lesser of Lines 1,2,3 or 4)}$$

* Net Cost = Line 4 from CDFS Final Calculation Sheet

** Adj. Net Cost = Line 6 from the AP, Calworks 2&3 or FCCH Worksheets

** Maximum Non-provider % is: 25.0% for Federal; and both Federal and General Calworks Stages 2 and 3

*

33.33% for General

42.85% for Family Child Care Homes

Note:

Provider Payments X Maximum Non-Provider % equals Maximum Allowable Admin. And Support.

Net Cost minus Provider Payments minus Start-Up equals Actual Admin. And Support.

City of Cheyenne Child Development Fund
Alternative Payment Reserve Calculation - Part 2
Fiscal Year Ended June 30, 2000

A	B	C	D	E
Potential Reserve Beginning Balance*	Contract #	Possible Contract Reserve Amount (From apreserve1, #5)	Reservable Amount Lesser of Col. A or Col. C **	Potential Reserve Ending Balance Col. A - Col. D (Carry to Col. A)
<u>\$28,500</u>	<u>F2AP-0000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$3,500</u>
<u>\$3,500</u>		<u>\$0</u>	<u>\$0</u>	<u>\$3,500</u>
<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Current Year Reservable Amount			<u>\$25,000</u>	
Plus Beginning Reserve Balance				
(from CD9530 Section I plus Section II minus Section III)			<u>\$2,000</u>	
Ending Alternative Payment Reserve Balance			<u>\$27,000</u>	

* From the Reserve Account Status Report (CD9530): Maximum Alternative Payment Reserve minus Beginning Balance (Section I) plus Revenue (Section II) minus Expenses (Section III)

** This amount should be reported on Line 16 of the applicable Final Earnings Calculation Report for each alternative payment type of contract.

Agency Name: City of Cheyenne Child Development Fund
 Vendor Number: M080
 Program Name: Federal Block Grant - R&R
 Contract Number: FBRR-0000
 Worksheet Type: Resource & Referral

California Department of Education
 Audits and Investigations Division
 Final Earnings Calculation
 Fiscal Year Ended June 30, 2000

1. Total Costs	\$44,990
2.a. Restricted Program Income	\$0
b. Transfer from Child Development Reserve Fund	\$0
Total Restricted Income	\$0
3. Interest Income	\$490
4. Non-Reimbursable Costs:	
a. Capital Outlay	\$0
b. Interest	\$0
c. Questioned Costs (Specify)	\$0
d. Costs in Line 1 Paid from Funds Not Listed in Line 2 (Specify)	\$0
e. Disallowed Costs (Specify)	\$0
f. Other (Specify)	\$0
Total Non-Reimbursable Costs	\$0
5. Net Costs [Line 1 - (Line 2 + Line 3 + Line 4)]	\$44,500
6. Maximum Reimbursable Amount (per contract)	\$50,000
7. Fiscal Year Net Reimbursable Earnings (Lesser of Line 5 or Line 6)	\$44,500
8. Transfer to Child Development Reserve (from worksheet r&rreserve2)	\$1,500
9. Apportionments to Date	\$50,000
10. Balance Due Agency from the State [(Line 7 + Line 8) - Line 9]	\$0
11. Balance Owed to the State:	
a. Total Owed to the State [Line 9 - (Line 7 + Line 8)]	\$4,000
b. Interest Billing (Lesser of Line 3 or Line 11a)	\$490
c. Contract Billing (Line 11a - Line 11b)	\$3,510

Agency Name: City of Cheyenne Child Development Fund
 Vendor Number: M080
 Program Name: General Program - R&R
 Contract Number: GFRR-0000
 Worksheet Type: Resource & Referral

California Department of Education
 Audits and Investigations Division
 Final Earnings Calculation
 Fiscal Year Ended June 30, 2000

1. Total Costs	\$220,000
2.a. Restricted Program Income	\$1,250
b. Transfer from Child Development Reserve Fund	\$0
Total Restricted Income	\$1,250
3. Interest Income	\$850
4. Non-Reimbursable Costs:	
a. Capital Outlay	\$0
b. Interest	\$0
c. Questioned Costs (Specify)	\$0
d. Costs in Line 1 Paid from Funds Not Listed in Line 2 (Specify)	\$0
e. Disallowed Costs (Specify)	\$0
f. Other (Specify)	\$0
Total Non-Reimbursable Costs	\$0
5. Net Costs [Line 1 - (Line 2 + Line 3 + Line 4)]	\$217,900
6. Maximum Reimbursable Amount (per contract)	\$225,000
7. Fiscal Year Net Reimbursable Earnings (Lesser of Line 5 or Line 6)	\$217,900
8. Transfer to Child Development Reserve (from worksheet r&rreserve2)	\$3,500
9. Apportionments to Date	\$223,400
10. Balance Due Agency from the State [(Line 7 + Line 8) - Line 9]	\$0
11. Balance Owed to the State:	
a. Total Owed to the State [Line 9 - (Line 7 + Line 8)]	\$2,000
b. Interest Billing (Lesser of Line 3 or Line 11a)	\$850
c. Contract Billing (Line 11a - Line 11b)	\$1,150

City of Cheyenne Child Development Fund
Resource & Referral Reserve Calculation - Part 1
Fiscal Year Ended June 30, 2000

Complete one worksheet for each resource and referral contract. Do not combine MRA's. Calculate the contracts in the order specified on the CD9530.

Resource & Referral Reserve for Contract #FBRR-0000 is the lesser of:

- 1)
$$\left(\frac{\$50,000}{\text{MRA}} \text{ plus } \frac{\$490}{\text{Interest}} \right) \text{ minus } \frac{\$44,500}{\text{Net Cost}^*} \text{ equals } \frac{\$5,990}{\text{Possible Reservable Amount}}$$
- 2)
$$\frac{\$50,000}{\text{MRA}} \times \frac{3.00\%}{\text{Reserve Limit}} \text{ equals } \frac{\$1,500}{\text{Possible Reservable Amount}}$$
- 3)
$$\frac{\$1,500}{\text{Possible Contract Reserve Amount (Lesser of 1 or 2)}}$$

* Line 5 from the R&R Worksheet

City of Cheyenne Child Development Fund
Resource & Referral Reserve Calculation - Part 1
Fiscal Year Ended June 30, 2000

Complete one worksheet for each resource and referral contract. Do not combine MRA's. Calculate the contracts in the order specified on the CD9530.

Resource & Referral Reserve for Contract #GFRR-0000 is the lesser of:

- 1)
$$\left(\frac{\$225,000}{\text{MRA}} \text{ plus } \frac{\$850}{\text{Interest}} \right) \text{ minus } \frac{\$217,900}{\text{Net Cost}^*} \text{ equals } \frac{\$7,950}{\text{Possible Reservable Amount}}$$
- 2)
$$\frac{\$225,000}{\text{MRA}} \times \frac{3.00\%}{\text{Reserve Limit}} \text{ equals } \frac{\$6,750}{\text{Possible Reservable Amount}}$$
- 3)
$$\frac{\$6,750}{\text{Possible Contract Reserve Amount (Lesser of 1 or 2)}}$$

* Line 5 from the R&R Worksheet

City of Cheyenne Child Development Fund
Resource & Referral Reserve Calculation - Part 2
Fiscal Year Ended June 30, 2000

A	B	C	D	E
Potential Reserve Beginning Balance*	Contract #	Possible Contract Reserve Amount (From r&rreserve1, #3)	Reservable Amount Lesser of Col. A or Col. C **	Potential Reserve Ending Balance Col. A - Col. D (Carry to next contract Col. A)
\$5,000	FBRR-0000	\$1,500	\$1,500	\$3,500
\$3,500	GFRR-0000	\$6,750	\$3,500	\$0
\$0		\$0	\$0	\$0
\$0		\$0	\$0	\$0
\$0		\$0	\$0	\$0
\$0		\$0	\$0	\$0
\$0		\$0	\$0	\$0
\$0		\$0	\$0	\$0
Total Current Year Reservable Amount			\$5,000	
Plus Beginning Reserve Balance				
(from CD9530 Section I plus Section II minus Section III)			\$0	
Ending Resource & Referral Reserve Balance			\$5,000	

* From the Reserve Account Status Report (CD9530): Maximum Alternative Payment Reserve minus Beginning Balance (Section I) plus Revenue (Section II) minus Expenses (Section III)

** This amount should be reported on Line 10 of the Resource & Referral Contract Audited Final Reimbursement Report for each resource & referral contract.

City of Cheyenne
Child Development Fund

COMBINING SCHEDULE OF ADMINISTRATIVE COSTS - STATE CONTRACTS

For the Fiscal Year Ended June 30, 2000

	ALTERNATIVE PAYMENT								TOTAL
	FEDERAL BLOCK GRANT PROGRAM	STATE GENERAL PROGRAM	CALWORKS	CALWORKS	CALWORKS	CALWORKS	RESOURCE & REFERRAL		
			STAGE 2	STAGE 2	STAGE 3	STAGE 3	FEDERAL PROGRAM	GENERAL PROGRAM	
			FEDERAL PROGRAM	GENERAL PROGRAM	FEDERAL PROGRAM	GENERAL PROGRAM			
Salaries	\$ 40,000	\$ 36,750	\$ 33,000	\$ 34,500	\$ 12,000	\$ 10,000	\$	\$	\$ 166,250
Employee Benefits	16,000	9,600	9,000	9,000	3,120	2,600			49,320
Travel, Conference & Other Exp	1,300	600	1,100	700	200	200			4,100
Dues	200	100	200	100	50	50			700
Insurance	800	700	1,000	700	230	200			3,630
Utilities & Housekeeping Services	4,000	2,500	3,200	3,000	1,000	900			14,600
Contracts, Rents and Leases	15,000	10,700	14,000	11,000	3,800	3,500			58,000
Audit Expense	3,700	1,700	3,200	2,100	700	600			12,000
	<u>\$ 81,000</u>	<u>\$ 62,650</u>	<u>\$ 64,700</u>	<u>\$ 61,100</u>	<u>\$ 21,100</u>	<u>\$ 18,050</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 308,600</u>
Indirect Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Administrative Costs	\$ 81,000	\$ 62,650	\$ 64,700	\$ 61,100	\$ 21,100	\$ 18,050	\$ -	\$ -	\$ 308,600

City of Cheyenne
Child Development Fund

SCHEDULE OF EQUIPMENT EXPENDITURES
UTILIZING CONTRACT FUNDS

For the Fiscal Year Ended June 30, 2000

Program	Contract Number	*Footnote (5) Expenditures Under \$7,500 Unit Cost		Expenditures Over \$7,500 Unit Cost With CDD Approval		Expenditures Over \$7,500 Unit Cost Without CDD Approval	
		Cost	Item	Cost	Item	Cost	Item
Federal Block Grant	FAPP-0000	\$ 0	None	\$ 0	None	\$ 0	None
General - Alternative Payment	GAPP-0000	0	None	0	None	0	None
CalWORKs Stage 2 - Federal	F2AP-0000	0	None	0	None	0	None
CalWORKs Stage 2 - General	G2AP-0000	0	None	0	None	0	None
CalWORKs Stage 3 - Federal	F3AP-0000	0	None	0	None	0	None
CalWORKs Stage 3 - General	G3TO-0000	0	None	0	None	0	None
Federal Block Grant - R & R	FBRR-0000	0	None	0	None	0	None
General Program - R & R	GFRR-0000	<u>0</u>	None	<u>0</u>	None	<u>0</u>	None
		<u>\$ 0</u>		<u>\$ 0</u>		<u>\$ 0</u>	

* Note (5): The City of Cheyenne changed their capitalization policy as of July 1, 1999 to capitalize items over \$5,000 only. No items purchased for a single program exceeded this amount.

City of Cheyenne
Child Development Fund

SCHEDULE OF REPAIR AND RENOVATION EXPENDITURES
UTILIZING CONTRACT FUNDS

For the Fiscal Year Ended June 30, 2000

No repair or renovation expenditures were incurred in the fiscal year ended June 30, 2000.

City of Cheyenne
Child Development Fund

STATEMENT OF CHANGES IN FIXED ASSETS

For the Fiscal Year Ended June 30, 2000

	Alternative Payment State General <u>Program</u>	Alternative Payment Federal Expansion <u>Program</u>	Federal Block Grant <u>Program</u>	Alternative Payment CalWORKS Stage 2 <u>Program</u>	Resource and Referral General <u>Program</u>	Resource and Referral Federal <u>Program</u>
Balance, July 1, 1999	\$ 28,800	\$ 5,200	\$ 23,400	\$ 3,500	\$ 12,000	\$ 7,300
Additions	0	0	0	0	0	0
Deletions	(5,800)	_____	(5,300)	_____	(3,500)	_____
Balance, June 30, 2000	<u>\$ 23,000</u>	<u>\$ 5,200</u>	<u>\$ 18,100</u>	<u>\$ 3,500</u>	<u>\$ 8,500</u>	<u>\$ 7,300</u>

City of Cheyenne
Child Development Fund

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended June 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of City of Cheyenne Child Development Fund.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. During the audit, no material weaknesses were identified in the internal control over financial reporting.
4. No instances of noncompliance material to the financial statements of City of Cheyenne Child Development Fund were disclosed during the audit.
5. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Controls Over Compliance in Accordance with OMB Circular A-133.
6. During the audit, no material weaknesses were identified in the internal control over major programs.
7. The auditor's report on compliance for the major federal award programs for City of Cheyenne Child Development Fund expresses an unqualified opinion.
8. There were no audit findings relative to the major federal award programs for City of Cheyenne Child Development Fund that are required to be reported in accordance with section 510(a) of Circular A-133.
9. The programs tested as major programs were:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.575	HHS – Community Development Block Grant
93.558	HHS – Temporary Assistance for Needy Families
10. The threshold for distinguishing Types A and B programs was \$300,000.
11. City of Cheyenne Child Development Fund was determined to be a low-risk auditee.

City of Cheyenne Child Development Fund

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended June 30, 1999

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

D. STATUS OF FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD
PROGRAMS

There were no findings in the prior year.

City of Cheyenne
Child Development Fund

SCHEDULE OF EXPENDITURES OF FEDERAL AND NONFEDERAL AWARDS

For the Fiscal Year Ended June 30, 2000

<u>Federal Grantor/Pass-Through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Grant Revenue Recognized</u>	<u>Federal Expenditures</u>
Federal:				
Department of Health and Human Services:				
<u>Passed through State of California:</u>				
Alternative Payment				
Child Care & Development Block Grant (CCDBG), Stage 3	93.575 / 93.596	F3AP-0000	\$ 190,000	\$ 200,000
CCDBG, Stage 2	93.575 / 93.595	F2AP-0000	844,000	925,000
CCDBG	93.575 / 93.596	FAPP-0000	1,073,000	1,100,000
Resource and Referral				
Child Care & Development Block Grant (CCDBG)	93.575 / 93.596	FBRR-0000	44,500	44,990
		Subtotal, CFDA 93.575		<u>\$ 2,269,990</u>
<u>Passed through West County:</u>				
Alternative Payment				
TANF, CalWORKs Stage 1	93.558	WCT-0111	<u>885,000</u>	<u>\$ 900,010</u>
Total Federal Expenditures			<u>\$ 3,036,500</u>	<u>\$ 3,170,000</u>

City of Cheyenne
Child Development Fund

SCHEDULE OF EXPENDITURES OF FEDERAL AND NONFEDERAL AWARDS

For the Fiscal Year Ended June 30, 2000

Nonfederal Grantor/Pass-Through Grantor/Program	Grantor Identifying Number	Grant Revenue Recognized	Non- Federal Expenditures
State of California:			
<u>Child Development Services:</u>			
Alternative Payment			
General	GAPP-0000	\$ 477,000	\$ 500,000
CalWORKs Stage 3	G3TO-0000	168,900	180,000
CalWORKs Stage 2	G2AP-0000	605,300	620,000
Resource and Referral			
General	GFRR-0000	<u>217,900</u>	<u>220,000</u>
Total State Expenditures		<u>\$ 1,469,100</u>	<u>\$ 1,520,000</u>

Note to the Schedule of Expenditures of Federal and
Nonfederal Awards
For the Year Ended June 30, 2000

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and nonfederal awards includes the federal grant activity of the City of Cheyenne Child Development Fund and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

City Council
City of Cheyenne
Cheyenne, California

We have audited the financial statements of **City of Cheyenne Child Development Fund of the City of Cheyenne, California**, as of and for the year ended June 30, 2000, and have issued our report thereon dated September 29, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California** are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **City of Cheyenne Child Development Fund of the City of Cheyenne, California** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in

relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of **City of Cheyenne Child Development Fund of the City of Cheyenne, California**, in a separate letter dated September 29, 2000.

This report is intended solely for the information and use of the city council, management, the California Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

C.J. AND ASSOCIATES, INC., CPAs
Certified Public Accountants

September 29, 2000

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

City Council
City of Cheyenne
Cheyenne, California

Compliance

We have audited the compliance of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California**, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2000. Major federal programs of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California** are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs (Schedule 17). Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of management of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California**. Our responsibility is to express an opinion on City of Cheyenne Child Development Fund's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California** with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Cheyenne Child Development Fund's compliance with those requirements.

In our opinion, the **City of Cheyenne Child Development Fund of the City of Cheyenne, California** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the **City of Cheyenne Child Development Fund of the City of Cheyenne, California**, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Cheyenne Child Development Fund's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the city council, management, the California Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

C.J. AND ASSOCIATES, INC., CPAs
Certified Public Accountants

September 29, 2000